

JD:DJL

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

- against -

DANNY DANIEL MALCOLM,

Defendant.

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AFFIDAVIT IN SUPPORT OF  
REMOVAL TO THE  
DISTRICT OF ARIZONA

(Fed. R. Crim. P. 5)

No. 19-MJ-53

EASTERN DISTRICT OF NEW YORK, SS:

HASSAN IBRAHIM, being duly sworn, deposes and states that he is a  
Special Agent with the Internal Revenue Service ("IRS"), duly appointed according to law  
and acting as such.

Upon information and belief, on or about January 4, 2019, a warrant for the  
arrest of the defendant DANNY DANIEL MALCOLM was issued by the United States  
District Court for the District of Arizona, in connection with a complaint charging the  
defendant with: (1) bank fraud, in violation of Title 18, United States Code, Section 1344;  
and (2) conspiracy to commit bank fraud, in violation of Title 18, United States Code,  
Section 1349.

The source of your deponent's information and the grounds for his belief are as follows:<sup>1</sup>

1. On or about January 3, 2019, a warrant for the arrest of the defendant DANNY DANIEL MALCOLM was issued by the United States District Court for the District of Arizona in connection with a complaint charging the defendant with: (1) bank fraud, in violation of Title 18, United States Code, Section 1344; and (2) conspiracy to commit bank fraud, in violation of Title 18, United States Code, Section 1349. A true and correct copy of the arrest warrant and complaint is attached hereto as Exhibit A.

2. On or about January 21, 2019, the defendant, DANNY DANIEL MALCOLM, booked a flight aboard Delta Airlines flight 580 to Montego Bay, Jamaica departing the next day, January 22, 2019, from John F. Kennedy International Airport ("JFK Airport") at 10:10 a.m. In connection with the outstanding arrest warrant from the District of Arizona, the defendant's purchase of that flight ticket alerted law enforcement authorities that the defendant traveling.

3. On January 22, 2019, law enforcement authorities apprehended the defendant pursuant to the District of Arizona search warrant at JFK Airport.

4. Law enforcement authorities, including myself, compared the defendant's appearance to that of the individual wanted by the District of Arizona and confirmed that the individual arrested is indeed the defendant DANNY DANIEL

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<sup>1</sup> Because the purpose of this affidavit is to set forth only those facts necessary to establish probable cause for removal, I have not described all of the relevant facts and circumstances of which I am aware.

MALCOLM. The defendant was also arrested with his passport in the name of "Danny Daniel Malcolm."

WHEREFORE, your deponent respectfully requests that the defendant DANNY DANIEL MALCOLM be removed to the District of Arizona so that he may be dealt with according to law.



Hassan Ibrahim  
Special Agent  
Internal Revenue Service

Sworn to before me this  
22nd day of January, 2019

\_\_\_\_\_  
THE HONORABLE LOIS BLOOM  
UNITED STATES MAGISTRATE JUDGE  
EASTERN DISTRICT OF NEW YORK

# EXHIBIT A

AO 442 (Rev. 11/11) Arrest Warrant

## UNITED STATES DISTRICT COURT

for the  
District of Arizona

United States of America

v.

Danny Daniel Malcolm

Case No.

19-07005MJ

Defendant

I hereby attest and certify on 1/4/19  
that the foregoing document is a full, true and correct  
copy of the original on file in my office and in my  
legal custody.

## ARREST WARRANT

To: Any authorized law enforcement officer

CLERK U.S. DISTRICT COURT  
DISTRICT OF ARIZONABY [Signature] DEPUTY  
Magistrate Judge without unnecessary delay**YOU ARE COMMANDED** to arrest and bring before a United States magistrate judge  
(name of person to be arrested) Danny Daniel Malcolm

who is accused of an offense or violation based on the following document filed with the court:

- ☐ Indictment    ☐ Superseding Indictment    ☐ Information    ☐ Superseding Information    ☒ Complaint  
☐ Probation Violation Petition    ☐ Supervised Release Violation Petition    ☐ Violation Notice    ☐ Order of the Court

This offense is briefly described as follows:

18 U.S.C. § 1344, Bank Fraud and 18 U.S.C. § 1349 Conspiracy to Commit Bank Fraud

Date: 1-4-2019City and state: TUCAZ

Issuing officer's signature

Printed name and title

## Return

This warrant was received on (date) \_\_\_\_\_, and the person was arrested on (date) \_\_\_\_\_  
at (city and state) \_\_\_\_\_.

Date: \_\_\_\_\_

Arresting officer's signature

Printed name and title

AO 442 (Rev. 11/11) Arrest Warrant (Page 2)

**This second page contains personal identifiers provided for law-enforcement use only  
and therefore should not be filed in court with the executed warrant unless under seal.**

*(Not for Public Disclosure)*

Name of defendant/offender: Danny Daniel Malcolm

Known aliases: \_\_\_\_\_

Last known residence: Florida

Prior addresses to which defendant/offender may still have ties: \_\_\_\_\_

Last known employment: \_\_\_\_\_

Last known telephone numbers: \_\_\_\_\_

Place of birth: \_\_\_\_\_

Date of birth: '1995

Social Security number: \_\_\_\_\_

Height: \_\_\_\_\_

Weight: \_\_\_\_\_

Sex: \_\_\_\_\_

Race: \_\_\_\_\_

Hair: \_\_\_\_\_

Eyes: \_\_\_\_\_

Scars, tattoos, other distinguishing marks: \_\_\_\_\_

History of violence, weapons, drug use: \_\_\_\_\_

Known family, friends, and other associates (name, relation, address, phone number): \_\_\_\_\_

FBI number: \_\_\_\_\_

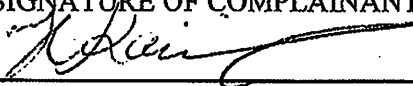
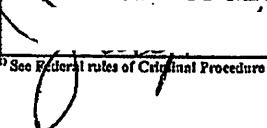
Complete description of auto: \_\_\_\_\_

Investigative agency and address: \_\_\_\_\_

Name and telephone numbers (office and cell) of pretrial services or probation officer (if applicable): \_\_\_\_\_

Date of last contact with pretrial services or probation officer (if applicable): \_\_\_\_\_

## CRIMINAL COMPLAINT

<b>United States District Court</b>	<b>DISTRICT of ARIZONA</b>
United States of America v. Danny Daniel Malcolm	DOCKET NO.
	MAGISTRATE'S CASE NO. <b>19-07005MJ</b>
Complaint for violation of Title 18, United States Code § 1344 and 1349	
<b>COMPLAINANT'S STATEMENT OF FACTS CONSTITUTING THE OFFENSE OR VIOLATION:</b> From a time unknown and continuing through approximately January 2, 2019, at or near Benson, in the District of Arizona and elsewhere, the defendant Danny Daniel Malcolm and others involved, knowingly, intentionally combined, confederated and agreed with each other to commit an ongoing Mail and Wire Fraud Scheme based on material false information and the intentional concealment of material facts in violation of Title 18, United States Code, Section 1349	
<b>BASIS OF COMPLAINANT'S CHARGE AGAINST THE ACCUSED:</b> Financial exploitation is a fast-growing form of abuse of seniors and adults with disabilities. Elder Financial exploitation takes many forms. While the vast majority of reports involve perpetrators who are related to or in a trusting relationship with the victim, scams and frauds by strangers are also very common. One common scam by strangers are lottery and sweepstakes scams, which tell the victim that they have already won, but they need to "send money to cover the taxes on the winnings."  <b>Victim L.G.</b>  On November 7, 2017, victim L.G., resident of the City of Benson, Arizona, via her daughter, reported to Benson Police Department in Benson that she was a victim of a lottery and sweepstakes scam. Victim L.G. was led to believe that she won a Publishers Clearing House sweepstakes valued at \$5,000,000.  Initially, Victim L.G. received a letter in an email dated September 3, 2017 from Publishers Clearing House, advising her that she won \$550,000.  <b>**SEE ADDITIONAL PAGES**</b>	
<b>MATERIAL WITNESS(ES) IN RELATION TO THE CHARGE:</b>	
<b>DETENTION REQUESTED</b> <b>COMPLAINT REVIEWED by AUSA Jonathan B. Granoff</b>  <i>Being duly sworn, I declare that the foregoing is true and correct to the best of my knowledge.</i>	<b>SIGNATURE OF COMPLAINANT</b>   <b>OFFICIAL TITLE &amp; NAME:</b> Hassan Ibrahim, Special Agent, IRS-CI
Sworn to before me and subscribed in my presence.	
<b>SIGNATURE OF MAGISTRATE JUDGE<sup>1)</sup></b> 	<b>DATE</b> January 4, 2019

<sup>1)</sup> See Federal rules of Criminal Procedure Rules 3 and 54

On September 13, 2017, ten days after the dated letter, victim L.G. received an email from DEPARTMENTOFTREASURYIRS@GMAIL.COM stating:

We have received your request for an approval for the release of your Prize Winnings (Check of \$5,000,000.00 and Brand New 2017 Lincoln MKZ- Model) and have completed a review of your file (see copy of our letter attached). Please note that Our Approval regarding Prize Release will be completed within 3 - 5 business days of settlement.

The email attachment included a letter with an Internal Revenue Service (IRS) letterhead and logo dated September 12, 2017. The "IRS" letter stated:

The Internal Revenue Service has received your request for an approval for the release of your Prize Winnings (Check of \$5,000,000.00) and will commence reviewing your file immediately. In addition, we hereby confirm payments that should be made as it relates to your State Taxes (1.6%). Please see State Taxes applicable to your prize winnings listed below:

(I.R.S) State Income Tax: \$80,000.00 (L.G.)

Please note that Federal Income Tax will be settled by the Publishers Clearing House. However, State Taxes which are applicable to your prize should be settled in full prior to the receipt of your prize winnings. We also take this opportunity to remind you that Payments should be sent to an assigned Accountant contracted by Publisher's Clearing House. It is imperative for you to remain compliant with our privacy and security policies and as such, any further information must be discussed with your Claims Agent- [Mr. F.M. at XXX XXX 5493]. Please also note that non-compliance will lead to severe legal consequences which may result in your Banks Accounts being frozen and the seizure of your assets which includes property and motor vehicle(s).

Based on your affiant's experience, the DEPARTMENTOFTREASURYIRS@GMAIL.COM e-mail address is an e-mail account used to further this fraud scheme and the communications from this account are not legitimate communications originating from the IRS.

As a result of the above email and attachments, and several phone contacts that the victim had with a male subject who provided her with wiring instructions, Victim L.G. withdrew all of the money from her IRA (approximately \$72,000.00).

Per the subject's instructions, on September 14, 2017, victim L.G. used FedEx overnight to mail \$40,000.00 cash to a location in Orlando, Florida addressed to "David Reid".

On June 29, 2018, victim L.G. was interviewed. She stated that in addition to the \$40,000 listed above, she also mailed \$20,000 cash via UPS on or about September 18, 2017. The subject instructed her on how to wrap the cash inside the UPS package and asked her not to disclose the contents to UPS.

The subject also instructed victim L.G. to deposit money in several bank accounts at Bank of America and wire money via Western Union.



In total, victim L.G. provided the co-conspirators approximately \$74,000, which equates to the approximate amount of her losses from this scheme<sup>1</sup>.

**Victim J.B. and/or leads**

On July 27, 2018, a search warrant was executed on Google, LLC. to obtain the contents of all emails associated with account DEPARTMENTOFTREASURYIRS@GMAIL.COM. Your affiant reviewed the emails produced by Google, LLC.

The review revealed that email account DEPARTMENTOFTREASURYIRS@GMAIL.COM was created on August 10, 2016 from an IP address located in Jamaica and listed email kirk66russell@yahoo.com as a recovery email.

Records received from Google reflect that on August 10, 2016 at 3:03 PM, an email from departmentoftreasuryirs@gmail.com was sent to publishersclearinghouseusa@gmail.com, with victim J.B. in the subject line. Based on the nature of the communications in the e-mails, your affiant believes that J.B. is another victim/potential victim of the lottery and sweepstakes scheme.

Records received from Google reflect that publishersclearinghouseusa@gmail.com was created on June 10, 2015 from an IP address located in Jamaica and listed email kirk66russell@yahoo.com as the recovery email, similar to the recovery email listed for departmentoftreasuryirs@gmail.com

On August 10, 2016 at 3:23 PM, an email from publishersclearinghouseusa@gmail.com to departmentoftreasuryirs@gmail.com, was sent with subject line "IRS Federal Income Tax Settlement on Publishers Clearing House Winnings." The email stated:

Good day Mr. J.B., Please see copy of email below from Department of Treasury Internal Revenue Service regarding your request for an approval for your prize to be released.

The email was signed by "Deborah Holland", Executive Vice President, Publishers Clearing House, 382 Channel Drive, Port Washington NY 11050. Your affiant believes Deborah Holland is a fake name.

Another forwarded message dated August 10, 2016 at 4:40 PM was listed in the email. The email was sent from Department of the Treasury Internal Revenue Service to Publishers Clearing House, with subject line: J.B- Requisition of Approval for Publisher's Clearing House Prizes. The email stated:

Good morning Ms. Deborah Holland, We have received your request for an approval for the release of your Client's winnings (Check of \$1,000,000.00 and Brand New 2016 Mercedes Benz CLS 63 AMG S - Model) and will commence reviewing his file immediately. Please note that Our Approval regarding Prize Release will be completed within 3 - 5 business days issued subsequent to receipt of the remaining 0.56% (\$14,000.00). In addition, please be reminded that payments should be made to an Accountant which we have assigned to your Organization.

<sup>1</sup> Fellow co-conspirator Joseph A. Batts was charged by indictment in CR18-2216-TUC-RCC as one of the individuals who also involved with defrauding victim L.G. in connection with this same lottery scheme.

The email purported to be signed by the Treasury Secretary with an IRS logo.

On August 10, 2016 at 3:32 PM, an email from [departmentoftreasuryirs@gmail.com](mailto:departmentoftreasuryirs@gmail.com) was forwarded to [richardrichmond430@gmail.com](mailto:richardrichmond430@gmail.com), with subject line "IRS Federal Income Tax Settlement on Publishers Clearing House Winnings." The email stated:

Good day Mr. J.B., We have received your request for an approval for the release of your Winnings (Check of \$1,000,000.00 and Brand New 2016 Mercedes Benz CLS 63 AMG S - Model) and will commence reviewing your file immediately. Please note that Our Approval regarding Prize Release will be completed within 3-5 business days.

The email was signed by Treasury Secretary with an IRS logo. Records received from Google reflect that [richardrichmond430@gmail.com](mailto:richardrichmond430@gmail.com) was created on April 22, 2016 from an IP address located in Jamaica and listed a Jamaican phone number.

Records received from Google reflect on August 10, 2016, 3:56 PM, email from [departmentoftreasuryirs@gmail.com](mailto:departmentoftreasuryirs@gmail.com) to victim J.B.'s email, with subject line: "Requisition of Approval on Publishers Clearing House Winnings info. J.B." The email stated:

Good day Mr. J.B., We have received your request for an approval for the release of your Winnings (Check of \$1,000,000.00 and Brand New 2016 Mercedes Benz CLS 63 AMG S - Model) and will commence reviewing your file immediately. Please note that Our Approval regarding Prize Release will be completed within 3-5 business days.

The email was signed by Treasury Secretary with an IRS logo. Other similar emails were sent from [departmentoftreasuryirs@gmail.com](mailto:departmentoftreasuryirs@gmail.com) and [publishersclearinghouseusa@gmail.com](mailto:publishersclearinghouseusa@gmail.com) to victim J.B. on August 10, 2016 at 3:59 PM and on March 27, 2017.

On October 19, 2018, a search warrant was executed on Google, LLC. to obtain the contents of all emails associated with account [richardrichmond430@gmail.com](mailto:richardrichmond430@gmail.com). Your affiant reviewed the emails produced by Google, LLC. The review revealed that email account [richardrichmond430@gmail.com](mailto:richardrichmond430@gmail.com) was created on April 22, 2016 from an IP address located in Jamaica and listed a Jamaican phone number.

Between April 22, 2016 and November 22, 2017, [richardrichmond430@gmail.com](mailto:richardrichmond430@gmail.com) received and sent several emails from and to individuals known and unknown to the conspiracy containing "Leads." The leads contained lists of thousands potential victims or future victim targets of the scheme to defraud. These lists includes contact information, income and network for the individuals listed. Based on the information revealed, the list also appears to be individuals who are over 70 years of age.

On August 10, 2016, an email was sent from [richardrichmond430@gmail.com](mailto:richardrichmond430@gmail.com) to [Dxxxxx@icloud.com](mailto:Dxxxxx@icloud.com) with subject line: "Friend from the irs". The email stated: "Hello there it's very important please reply to this email my name is Mr Richard from the irs thank you."

On August 12, 2016, an email from [dervinjacko@gmail.com](mailto:dervinjacko@gmail.com), sent an email to [richardrichmond430@gmail.com](mailto:richardrichmond430@gmail.com) with subject line: "info," and an attachment contained two victims' information. The email stated:

Got some info on them, look at the value of their house comparison to their net worth. They are worth way more than what their houses value means they either have difference in other values or money in accounts.

On November 26, 2016, an email from [act-enforcement.irs@usa.com](mailto:act-enforcement.irs@usa.com) sent an email to [richardrichmond430@gmail.com](mailto:richardrichmond430@gmail.com), a victim's email [thefxxxx@sbcglobal.net](mailto:thefxxxx@sbcglobal.net), and [dholland@yahoo.com](mailto:dholland@yahoo.com) with subject line "IRS TAX ENFORCEMENT." The email stated: Please read the attachment!" The email attachment included a letter with an Internal Revenue Service letterhead and logo dated November 26, 2016, and addressed to victim R.F., stating:

This letter is to advise you that your GRAND PRIZE for 2016 has been placed on hold due to an outstanding balance on your prize as it relates to your States Taxes. The Federal Commission (FTC) is enforcing Section 5 of FTC Act, 15 U.S.C.45, which Prohibits the delivery of your Prize until the outstanding balance settled. We have determined that you are violating the law and recommend that you settle the total payment of \$110,315.00 which will ensure that you are compliant with the FTC Act and Federal Laws.

With this notice, the Division of Financial Practices staff does not waive the FTC's right to take action against you based on past or future law violations. Please direct any question concerning this letter to Michael Collins at: 516-000-0000.

A seizure of property While a federal tax lien is a legal claim against your property, a levy is a legal seizure that actually takes your property (such as your house or car) or your rights to property (such as your income, bank account, or Social Security payments) to satisfy your tax debt. We can't seize your property if you have a current or pending Instalment Agreement, Offer in Compromise, or if we agree that you're unable to pay due to economic hardship, meaning seizing your property would result in your inability to meet basic, reasonable living expenses. Reasons we may seize ("levy") your property or rights to property If you don't pay your taxes (or make arrangements to settle your debt), we could seize and sell your property. We will not seize your property to collect an individual shared responsibility payment. We usually seize only after the following things have occurred. • We assessed the tax and sent you a bill, • you neglected or refused to pay the tax, and • we sent you a Final Notice of Intent to Levy and Notice of Your Right to a Hearing at least 30 days before the seizure. However, there are exceptions for when we don't have to offer you a hearing at least 30 days before seizing your property. These include situations when: • the collection of the tax is in jeopardy, • A levy is served to collect tax from a state tax refund, • A levy is served to collect the tax debt of a federal contractor, or • A Disqualified Employment Tax Levy (DETL) is served. A DETL is the seizure of unpaid employment taxes and can be served when a taxpayer previously requested a Collection Due Process appeal on employment taxes for other periods within the past 2 years. If we serve a levy under one of these exceptions, we will send you a letter explaining the seizure and your appeal rights after the levy is issued.

The email was signed by Jessica L. Rich Associate Director for Financial Practices.

Based on your affiant's experience, the above e-mail was not an authentic e-mail originating from the IRS.

Your affiant has reviewed the e-mails associated with the richardrichmond430@gmail.com e-mail account. Based on this review, your affiant believes that the defendant, Danny Malcom was the individual who was using this e-mail account during and in furtherance of this fraud conspiracy.

For example, on August 10, 2016, an email from PayPal to <richardrichmond430@gmail.com> confirmed Danny Malcom's purchase of a watch for \$99. This email listed the shipping info address for Danny Malcolm, 1660 E Main Street, Apt 2G, Waterbury, CT 06705.

On August 16, 2016, another email from Best Buy to richardrichmond430@gmail.com confirmed Danny Malcom's purchase of a Samsung Galaxy S7 edge for \$876.72. The email listed the shipping information for the recipient's address as Daniel Malcolm, with the same address 1660 E Main Street, Apt 2G, Waterbury, CT 06705.

On August 23, 2016, an email from Uber to richardrichmond430@gmail.com contained a receipt of \$149.42 for a ride from 19 Sheldon St, Waterbury, CT to Central Terminal Area [JFK Airport] Jamaica, NY. A search of Department Homeland Security's database revealed that the defendant Danny Daniel Malcolm, was scheduled to leave to Montego Bay, Jamaica from JFK International Airport in New York on the same date, August 23, 2016.

There were no other e-mails associated with any other individual using the richardrichmond430@gmail.com account other than the defendant, Danny Malcom.